

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

U.S. SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

TERRAFORM LABS, PTE LTD.
and DO KWON

Defendants.

Case No. 1:23-cv-01346-JSR

**DECLARATION OF JAMES P. CONNOR IN SUPPORT OF PLAINTIFF
SECURITIES AND EXCHANGE COMMISSION’S OPPOSITION TO
DEFENDANT’S MOTION TO DISMISS FOR LACK OF PERSONAL JURISDICTION**

I, James P. Connor, declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the following is true and correct:

1. I am a Supervisory Trial Counsel in the Securities and Exchange Commission’s (the “SEC’s”) Enforcement Division. I am admitted *pro hac vice* as counsel in this action.
2. I have personal knowledge of the facts presented in this declaration based upon my review of documents relevant to this litigation.
3. I respectfully submit this declaration and the attachments hereto in support of the SEC’s arguments in opposition to Defendant’s Motion to Dismiss on personal jurisdiction grounds, which is being submitted simultaneously herewith as part of the SEC’s Memorandum of Law in Opposition to Defendant’s Motion to Dismiss.

4. Attached hereto as Exhibit PP¹ is a true and accurate copy of Terraform's July 11, 2018 contract with a firm based in California.

5. Attached as Exhibit QQ is a true and accurate copy of emails between Do Kwon and the California firm showing that the firm is based in California.

6. Attached as Exhibit RR is a true and accurate of a November 2019 contract between Terraform and U.S. Trading Firm, showing U.S. Trading Firm's address as Chicago, Illinois.

7. Attached as Exhibit SS is a true and accurate copy of a January 13, 2020 email from Do Kwon to "Terra Investor Relations" announcing an agreement with U.S. Trading Firm and stating that Terraform "reached an important milestone [] with Chai reaching 1M active users[.]"

8. Attached as Exhibit TT is a true and accurate copy of a contract between Terraform and another California firm.

9. Attached as Exhibit UU is a true and accurate copy of an April 26, 2021 contract between a U.S.-based crypto asset trading platform and Terraform for the listing of MIR tokens.

10. Attached as Exhibit VV is a true and accurate copy of a cover letter from the U.S.-based trading crypto asset trading platform's counsel, along with a contract between Terraform and the crypto asset trading platform for the listing of wLUNA and UST.

11. Attached as Exhibit WW is a true and accurate copy of a transcript of Do Kwon's September 21, 2021 statements at a conference, held in New York, New York.

¹ The SEC begins its exhibits with Exhibit PP, because Defendants' last exhibit was Exhibit OO. See Decl. of Douglas W. Henkin, ECF No. 30.

12. Attached as Exhibit XX is a true and accurate transcript of a February 27, 2022 conference before Hon. Paul J. Oetken in the SEC's subpoena enforcement action against Defendants. *See SEC v. Terraform Labs, Pte Ltd., et al.*, 21-mc-0810 (JPO) (S.D.N.Y.) ("Subpoena Enforcement Action").

13. In the Subpoena Enforcement Action., the Court held that it had personal jurisdiction over Terraform Labs, Pte Ltd. and Do Kwon based on seven U.S. contacts. *See Ex. WW at Tr. 40:20-41:20; see also SEC v. Terraform Labs Pte Ltd.*, No. 22-368, 2022 WL 2066414, at *3 (2d Cir. June 8, 2022), *cert. denied*, 143 S. Ct. 1020 (2023) ("The district court's specific personal jurisdiction determination rested on seven contacts with the U.S. We agree.").

14. The first U.S. contact supporting personal jurisdiction identified by the Court in the Subpoena Enforcement Action – that Defendants "promoted the Mirror Protocol and MIR tokens through Terraform's website, web application, social media accounts, interviews, and U.S. media," Ex. XX at Tr. 40:20-22 – is alleged at paragraph 96 of the Amended Complaint.

15. The second U.S. contact supporting personal jurisdiction identified by the Court in the Subpoena Enforcement Action – that Terraform entered into a contract with U.S.-based crypto asset trading platform or the listing of MIR tokens, Ex. XX Tr. 40:22-41:2 – is alleged at paragraph 114 of the Amended Complaint and is attached as Exhibit UU. Attached as Exhibit ZZ is at true and accurate copy of February 2021 emails between Terraform representatives and a U.S.-based crypto asset trading platform, in which a Terraform representative writes that "15% of the [of Mirror Protocol] usership [is] from the USA." *Terraform Labs*, No. 2022 WL 2066414, at *3 ("While seeking to enter into an agreement with a U.S.-based company, Appellants indicated that 15% of users of its Mirror Protocol are within the U.S.").

16. The third U.S. contact supporting personal jurisdiction identified by the Court in the Subpoena Enforcement Action – that “Kwon and a Terraform subsidiary entered into an agreement with the U.S.-based crypto asset trading platform under which the U.S. entity paid at least \$200,000 for MIR tokens,” Ex. XX at Tr. 41:3-5 – is supported by Exhibit AAA, attached hereto, which is a true and accurate copy of that September 2020 agreement.

17. The fourth U.S. contact supporting personal jurisdiction identified by the Court in the Subpoena Enforcement Action – a March 2019 crypto asset custody agreement between Terraform and a U.S-based company, Ex. XX at Tr. 41:6-8 – is supported by Exhibit BBB, attached hereto, which a true and accurate copy of that agreement.

18. The fifth U.S. contact supporting personal jurisdiction identified by the Court in the Subpoena Enforcement Action – that Terraform had “employees in the United States, including its General Counsel,” Tr. 41:9-10 – is alleged at paragraph 15 of the Amended Complaint. Attached as Exhibit YY are copies of LinkedIn profiles for some of Terraform’s U.S.-based employees during the relevant period.

19. The sixth U.S. contact supporting personal jurisdiction identified by the Court in the Subpoena Enforcement Action – that “mAssets mimic U.S. stocks and are plainly being offered to U.S. customers,” Tr. 41:11-12 – is alleged at paragraph 37 and 115 of the Amended Complaint.

20. The seventh U.S. contact supporting personal jurisdiction identified by the Court in the Subpoena Enforcement Action – the sponsorship deal with the Washington Nationals, Tr. 41:13-20 – is alleged at paragraph 43 of the Amended Complaint.

21. Attached as Exhibit CCC is a true and accurate copy of the July 2021 Second Amended and Restated Loan Agreement, signed by Kwon with U.S. Trading Firm.

22. Attached as Exhibit DDD is a true and accurate copy of a July 12, 2012 Yahoo! News article quoting Do Kwon. *Our mission is to bring decentralized monies to as many blockchains as possible:* Terraform Labs CEO (July 12, 2021) Yahoo! News (<https://news.yahoo.com/mission-bring-decentralized-monies-many-171201969.html>) (quoting Kwon: “So we have things like Mirror protocol, which creates synthetic assets that track the price of real-world assets . . . So this would be, for example, mirrored Tesla, or mirrored Apple,” referring to the equity securities of U.S.-based companies Tesla, Inc. and Apple, Inc.)).

23. Attached as Exhibit EEE is a true and accurate copy of a July 6, 2021 Bloomberg New Article, *Fake Tesla, Apple Stocks Have Started Trading on Blockchains* (July 6, 2021) Bloomberg News (<https://www.bloomberg.com/news/articles/2021-07-06/fake-tesla-apple-stocks-have-started-trading-on-blockchains>) (quoting Kwon).

24. Attached as Exhibit FFF is a true and accurate copy of a joint interview that Terraform’s Texas-based Business Development Lead and its Head of Communications participated in on Medium (a U.S.-based online publishing platform) that publicized and promoted LUNA, UST, the Anchor Protocol, mAssets and the Mirror Protocol.

25. Attached as Exhibit GGG is a true and accurate copy of an organizational chart of Terraform Labs, Pte Ltd. produced by Terraform.

26. The following is a video link of Terraform’s New York-based Director of Special Projects discussing LUNA, UST, the Anchor Protocol, mAssets, and the Mirror Protocol at a June 2021 “DeFi Summit” conference: *Introducing the Terra Luna DeFi Ecosystem w/ SJ Park*, YouTube, <https://www.youtube.com/watch?v=cU0Rv5jCjy0>.

Dated: May 12, 2023

Respectfully submitted,

/s/ James P. Connor

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